

## BUDGET

Committee on the Budget • Majority Caucus U.S. House of Representatives
Jim Nussle, *Chairman* 

WEEK

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Summarizing budgetary issues in legislation scheduled for the House floor

12 April 2005

Week	of	11	Apr	il	2005
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## SUSPENSION CALENDAR

- 1) Colorado River Indian Reservation Boundary Correction Act (H.R. 794). This bill declares that the boundaries of the Colorado River Indian Reservation are the boundaries delineated by the Robbins Survey of 1875 and affirmed by the Harrington Resurvey of 1912 (which include 16,000 acres known as the La Paz lands). The measure does not increase direct spending spending not subject to appropriations or reduce revenue.
- 2) Southern California Groundwater Remediation Act (H.R. 18).

  This bill establishes, within the U.S. Treasury, the Southern

  California Groundwater Remediation Fund. The fund is to be used by the Secretary of the Interior to provide grants to local water authorities within the natural watershed of the Santa Ana River in California for the Federal share of costs of designing and building groundwater remediation projects. The Secretary has the authority to spend both contributions to the fund as well as interest earned on those contributions. The Congressional Budget Office [CBO] estimated that an identical bill in the 108th Congress (H.R. 4606) would increase direct spending by less than \$500,000 in fiscal years 2005 and 2006 and by \$1 million annually in 2007 through 2014. This would cause the Resources Committee to exceed its allocation of new budget authority under the current budget resolution deemed to be in force. It would not violate the budget resolution passed by the House for fiscal year 2006, but yet to be adopted by the conference committee. It is not expected it will violate any conference report, once passed by the House and Senate.
- 3) To Direct the Secretary of Agriculture to Convey Certain Land to Lander County, Nevada, and the Secretary of the Interior to Convey Certain Land to Eureka County, Nevada, for Continued Use as Cemeteries (H.R. 541).



This bill does not increase direct spending or reduce revenue.

4) *Pine Springs Land Exchange Act* (H.R. 482). This bill directs the Secretary of Agriculture to convey, to Lubbock Christian University, all rights of the United States to specified Federal lands in the Lincoln National Forest, New Mexico, in exchange for the certain non-Federal land owned by the University. The transaction is to be conducted by a quitclaim deed. The bill does not increase direct spending or reduce revenue.

5) *Twenty-First Century Water Commission Act of 2005* (H.R. 135). This bill authorizes the creation of a commission to project the future supply of water, study the current management of the water supply, and issue a report that provides a comprehensive strategy for managing water. This bill authorizes \$9 million, subject to appropriations, but it does not increase direct spending or reduce revenue.

(continued on next page)

Budget Week Page 1

6) To Designate a Portion of the Federal Building Located at 2100 Jamieson Avenue, in Alexandria, Virginia, the "Justin W. Williams United States Attorney's Building (H.R. 1463).



This bill neither increases direct spending nor reduces revenue.

7) To Designate a United States Courthouse in Brownsville, Texas, as the "Reynaldo G. Garza and Filemon B. Vela United States Courthouse." (H.R. 483).



This bill neither increases direct spending nor reduces revenue.

8) To Designate the United States Courthouse Located at 501 I Street in Sacramento, California, as the Robert T. Matsui United States Courthouse" (H.R. 787).



This bill neither increases direct spending nor reduces revenue.

## **LEGISLATION CONSIDERED UNDER A RULE**

Bill: Death Tax Repeal Permanency Act of 2005 (H.R. 8).



Committee: Ways and Means

**Summary:** Under title V of the Economic Growth and Tax Relief Reconciliation Act 2001 [EGTRRA],

estate and generation-skipping transfer [GST] taxes are phased out until repealed fully in 2010. Title V of EGTRRA also modifies the rules for determining built-in capital gains for inherited property. The adjustment generally preserves the full capital gains that accrue to a property, and ensures that such gains are taxed when the property eventually is sold. To comply with budget rules applicable in the Senate only, EGTRRA was required to include a sunset provision that generally causes tax relief in the legislation - including title V – to expire after 31 December 2010. H.R. 8 declares that EGTRRA's sunset provision does not apply to title V of the act. This makes permanent the repeal of estate and GST

taxes, as well as the modification in capital gains rules.

The bill violates the Congressional Budget Act under the fiscal year 2005 budget resolution, currently in force. Nevertheless, it is expected that a conference report on the

fiscal year 2006 budget (H.Con.Res. 95) will accommodate the bill.

Cost: Although CBO has not provided a cost estimate for H.R. 8, the Joint Committee on

Taxation [JCT] recently estimated that a similar proposal in the President's fiscal year 2006 budget submission would reduce revenue by \$1.135 billion in 2006 and by \$9.066 billion over 2006-10. Although the bill only changes laws in effect after 2010, JCT projects that the changes made by the bill would result in behavioral responses by taxpayers that

would affect tax collections during each year from 2006 through 2010.

H.R. 8 is an unreported bill, and as such is not subject to points of order under the Budget **Budget Act:** 

> Act. Had the measure been reported, however, it would violate sections 303 and 311 of the Budget Act under the budget resolution currently in force (the resolution for fiscal year 2005). These violations would occur because the bill causes a revenue loss first effective in a year for which a budget resolution has not yet been adopted, and because it causes

revenue to be less than required by the budget resolution.

The bill would not, however, violate the House-passed budget resolution for fiscal year 2006 (H.Con.Res. 95), because that resolution already assumes permanent extension of the policies contained in H.R. 8. A conference report on H.Con. Res. 95 has not yet been

adopted.

(continued on next page)

**Budget Week** Page 2 Bill: Bankruptcy Abuse Prevention and Consumer Protection Act of 2005 (S.256).

Committee: Judiciary

Summary: This bill amends Federal bankruptcy law to revamp guidelines governing dismissal or

conversion of a chapter 7 liquidation (complete relief in bankruptcy) to one under either chapter 11 (reorganization) or chapter 13 (adjustment of debts of an individual with regular income). It also establishes means-testing eligibility for chapter 7 bankruptcy relief.

In addition, the bill addresses abusive creditor practices, priority for child support payments, and certain small business provisions. The bill reenacts chapter 12 –

adjustment of debts of a family farmer with regular annual income – as amended by this

Act (thereby reinstating permanently family farmer bankruptcy relief).

The bill violates the Congressional Budget Act under the fiscal year 2005 budget resolution, currently in force. Nevertheless, it is expected that a conference report on the

fiscal year 2006 budget (H.Con.Res. 95) will accommodate the bill.

Cost: CBO estimates that enactment of this bill will increase direct spending by less than

\$100,000 in fiscal year 2005, and by \$26 million over the period from fiscal year 2006-10. The costs are for new temporary judges, and the extension of four existing temporary judgeships. The measure also expected to cause a revenue loss of \$6 million in 2006.

**Budget Act:** Under the budget resolution now in force, enacting this bill will violate sections 302(f),

303, and 311 of the Budget Act. The bill violates 302(f) because its direct spending will exceed, by \$6 million over 5 years, the Committee on Judiciary's allocation. It will violate section 303 because its revenue loss first becomes effective in 2006, a year for which a final budget resolution has not yet been adopted. It will violate section 311 because the revenue loss allowed under the budget resolution now in force already has been

exceeded. The bill would not, however, violate H.Con.Res. 95, the House-passed budget resolution for fiscal year 2006. Under that resolution, the Judiciary Committee has sufficient room in its allocation to accommodate the spending in this measure. A

conference report on H.Con.Res. 95 has not yet been adopted.

Prepared by ...... The Committee on the Budget

Budget Week Page 3